Department of Finance

# STATE OF CALIFORNIA MANUAL OF STATE FUNDS

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## **Legal Title**

Farmworker Remedial Account

## Legal Citation/Authority

Chapter 69, Statutes of 2006 (AB 1806)

Labor Code section 1684(a)(4)

## **Fund Classification**

**GAAP Basis** 

Governmental/Special Revenue Funds

## **Fund Classification**

Legal Basis

Governmental/Other Governmental Cost Funds

#### **Purpose**

The purpose of this account is to provide a source of funds to be disbursed by the Labor Commissioner to persons who have been damaged by any licensee or licensed farm labor contractor whenever such damage exceeds the limits of the licensee's bond. Law currently requires farm labor contractors to deposit with the Labor Commissioner a surety bond in an amount based on the size of the person's annual payroll for all employees.

#### Administering Agency/Organization Code

Department of Industrial Relations/Org 7350

#### **Major Revenue Source**

Renewal fees (a portion of) from farm labor contractors pursuant to Labor Code section 1684(d).

## **Disposition of Fund (upon abolishment)**

Pursuant to Government Code Section 16346, absent language that identifies a successor fund, any balance remaining in this fund upon abolishment, shall be transferred to the General Fund.

## **Appropriation Authority**

Money in this fund are available upon appropriation by the Legislature.

Section 1684(d) of the Labor Code provides that "Funds from this account shall be disbursed by the Labor Commissioner only to persons determined by the Labor Commissioner to have been damaged by any licensee when the damage exceeds the limits of the licensee's bond, or to persons determined by the Labor Commissioner to have been damaged by an unlicensed farm labor contractor."

#### **State Appropriations Limit**

**Excluded**—The revenues in this fund are not proceeds of taxes, however, when transferred, may become proceeds of taxes. These revenues are used to regulate the activities engaged in by the payers. Funded from license and registration **fees** paid annually by farm labor contractors. Funds are used to pay unpaid wage claims filed by farm laborers against farm labor contractors.

## **Comments/Historical Information**

Chapter 69, Statutes of 2006 amended section 1684 (a) (4) of the Labor Code to increase the amount from each license fee received that the commissioner is required to deposit into the Farmworker Remedial Account from \$50 to \$150.

Revised August 2012 FUND 0023

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Chapter 917, Statutes of 2000 renamed this fund from the Farm Labor Contractor's Special Account and increased the license fee to \$500 and provided that \$50 of that fee would be deposited into this fund.

Chapter 517 & 301, Statutes of 1982 replaced section 1684(d) of the Labor Code with section 1688, renewal shall require the filing of an application for renewal, a renewal bond, and the payment of the annual license fee, but the Labor Commissioner may demand that a new application or a new bond be submitted.

Chapter 803, Statutes of 1976 amended Section 1684(d) of the Labor Code to increase the annual license renewal fee for farm labor contractors from \$75 to \$100 and provided that \$25 would be deposited into a separate account.

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